RECEIVED
JAN 12 1998
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Administration of the North American	)	CC Docket No. 92-237
Numbering Plan, Carrier Identification	)	
Codes (CIC)	)	

DOCKET FILE COPY ORIGINAL

REPLY

The National Exchange Carrier Association, Inc., (NECA) herein replies to comments regarding the Second Further Notice of Proposed Rulemaking in this docket.[1] In the Second FNPRM, the Commission tentatively concludes that local exchange carriers (LECs) with stored program-controlled (SPC) switches, that have not received a bona fide request for equal access, should be required to upgrade their facilities to provide equal access and to accept four-digit CICs within three years.[2]

In its comments, the National Telephone Association (NTCA) states that the Commission should allow SPC LECs, if required to upgrade their offices under the proposed rule, to recover the incremental costs of conversion pursuant to section 36.191 of the Commission's rules.[3] Under NTCA's proposal, these LECs would be treated as if they had received a bona fide request for equal access. NTCA also requests a waiver procedure to permit relief from the rule where

[1] Administration of North American Numbering Plan, Carrier Identification Codes (CICs), *Order on Reconsideration, Order on Application for Review, and Second Further Notice of Proposed Rulemaking*, CC Docket No. 92-237, FCC 97-386 (rel. Oct. 22, 1997) ("Second FNPRM").

[2] *Id* at ¶ 84.

[3] *See* NTCA at 2-3 (referring to 47 C.F.R. § 36.191, which allocates costs between the jurisdictions on the basis of relative state and interstate equal access traffic).

implementation would be uneconomic, impractical or otherwise cause undue hardship.[4]

The United States Telephone Association (USTA) proposes a new method of recovering the costs of replacing switches converted pursuant to the Commission's proposed rule. Under USTA's proposal, companies that participate in NECA's pools would be permitted to recover 75 percent of the capital costs of replacing their switches through the federal revenue requirement over a three-year period.[5]

NECA supports the idea of a special cost recovery mechanism for mandated conversions. Additional interstate cost recovery is especially critical given the significance of the costs that would flow from the Commission's proposed requirement for these small, rural LECs and the other obligations they face as the Commission continues to implement the Telecommunications Act of 1996.[6] NECA also supports a waiver procedure to permit relief from the rule where implementation would be uneconomic, impractical or otherwise cause undue hardship.

The replacement of a switch represents an extraordinary cost to a small telephone company.[7] Interexchange carriers are the primary beneficiaries of this significant investment which the Commission is proposing to require of the small LECs.[8] It is therefore reasonable to

---

[4] NTCA at 3.

[5] USTA at 4.

[6] An example of another costly obligation the Commission recently required was for all LECs to provide coding digits to identify payphone calls.

[7] USTA at 4. Citing a Rural Utilities Service report, USTA shows how the average cost of a switch for a small carrier can range upwards of nearly half a million dollars. *Id* at 3-4. As USTA notes, especially because there are further costs of removing the old switch, training and system changes necessary to support replacement, overhead expenses and balloting, overall costs of switch replacements are clearly significant for small carriers.

[8] *See* NTCA at 2-3.

allocate a larger share of the costs to interexchange carriers, pursuant to section 36.191 or through the new mechanism USTA proposes.

For the reasons above, if the Commission implements its proposed rule in the Second FNPRM, it should provide a mechanism for SPC LECs that allows recovery of a fair portion of their incremental costs from the interstate jurisdiction. The Commission should also provide a waiver procedure for those situations where it would be uneconomic, impractical or otherwise cause undue hardship to implement its proposed rule.

Respectfully Submitted,
National Exchange Carrier Association, Inc.

Richard A. Askoff *pl*

Richard A. Askoff
Perry S. Goldschein
100 S. Jefferson Rd.
Whippany, NJ 07981

Its Attorneys

January 12, 1998

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served this 12th day of January, 1998, by mailing copies thereof by United States Mail, first class postage paid or by hand delivery, to the persons listed below.

By: ______________________
Perry S. Goldschein

The following parties were served:

Office of the Secretary*
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554
(Original and 6 copies)

Carmell Weathers*
Common Carrier Bureau
Federal Communications Commission
2000 M Street, N.W., Rm 221
Washington, D.C. 20554
(one copy)

L. Marie Guillory
NTCA
2626 Pennsylvania Ave., N.W.
Washington, D.C. 20037

Linda Kent
USTA
1401 H Street, NW, Ste. 600
Washington, D.C. 20005

Leon M. Kestenbaum
Sprint Corp.
1850 M St., N.W., Ste. 1110
Washington, D.C. 20036

Mark K. Johnson
United Utilities, Inc.
5450 A Street
Anchorage, AK 99518

Kathy L. Shobert, Director - Federal Affairs
General Communication, Inc.
901 15th St., NW, Ste. 900
Washington, D.C. 20005

International Transcription Service (ITS)*
1231 20th Street, N.W.
Washington, D.C. 20036
(one copy)

* Hand Delivered